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herein mortgaged, or for any substantial part of Mortgagor's properties, or in the event the Mortgagor shall admit, in writing, its inability to pay its debts generally as they become due or make an assignment for the benefit of its creditors, or in the event proceedings, voluntary or involuntary, shall be instituted by or against the Mortgagor or any of its property in insolvency or in bankruptcy or for the appointment of a Receiver or Trustee or for corporate reorganization or otherwise under the provisions of any law of the United States or of any State; then and in any such event the said Mortgagor may, at its option and without notice, declare all of the indebtedness hereby secured immediately due and payable and foreclose its lien hereunder. The Mortgagee may take possession of said oil and gas mining lease (s) and all property herein described; maintain, operate and control said property, and apply all proceeds derived therefrom, after payment of royalties and operating expenses, to the payment of the indebtedness hereby secured until said indebtedness is fully paid, Mortgagor agreeing to give Mortgagee immediate, peaceable possession; or the Mortgagee may take possession of and sell all of said property, and interests herein described, under the laws applicable to foreclosure of chattel mortgages; or upon any suit being brought to recover the sum herein described, as a matter of right and without proof of any insolvency, fraud, insecurity or mismanagement on the part of the Mortgagor, the Mortgagee shall be entitled as a matter of right to the appointment of a Receiver, it being mutually agreed that the production and sale of oil, gas and/or casinghead gas from the mortgaged property, after a default has occurred and been declared by the Mortgagee, will be considered as disposing of a part of the corpus of the mortgaged property; and the Mortgagor hereby waives all notice of appointment of Receiver, and agrees that such Receiver take possession of, hold, maintain and operate said property, including the running and selling of all oil, gas and casinghead gas produced, and apply the proceeds of the sale thereof to the payment of the indebtedness hereby secured until said indebtedness, costs and attorney's fees are fully paid, or sell and dispose of said property according to law for the payment thereof. In event of foreclosure hereof, Mortgagor hereby agrees to pay a sum equal to 10% of the amount of the indebtedness secured hereby, plus \$10.00 as attorney's fee in such foreclosure suit, and all costs in connection therewith, to be secured by this mortgage, and Mortgagor hereby waives all right under the homestead, exemption and stay laws of the State in which said mortgaged property is located; and appraisal of said property is hereby expressly waived or not waived, at the option of the Mortgagee, its successors or assigns, said option to be exercised prior to or at the time judgment is rendered in any foreclosure hereof.

No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute. All of the covenants and agreements herein shall bind and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

To the extent that the proceeds of any loan or advance made by the Mortgagee, the repayment of which is secured by this mortgage, are used by the Mortgagor to pay in whole or in part any indebtedness or obligation secured by a mortgage, lien or other encumbrance upon any of the property described herein, the Mortgagee, at its option, shall be subrogated to all the rights, titles, liens and powers of the holders of said indebtedness or obligation so paid and so secured by any such mortgage, lien or other encumbrance; and it is agreed that all such rights, titles, liens and powers are renewed and extended to the indebtedness hereby secured, regardless of whether or not the holders of any such mortgage, lien or other encumbrance shall have released the same.

EXECUTED this 29 day of July, 1969.

Wm. Douglas Layton
Wm. Douglas Layton

R. M. Layton
R. M. Layton

Clyde G. Layton
Clyde G. Layton
As the sole partners of Layton Oil
Company, a partnership

STATE OF Oklahoma)
ss.
COUNTY OF Tulsa)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this 29 day of July, 1969, personally appeared WM. DOUGLAS LAYTON, R. M. LAYTON and CLYDE G. LAYTON, to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth and in the capacity therein stated.

WITNESS my hand and official seal the day and year last above written.

My Commission expires:

[SEAL]

TULSA, OKLA.

Notary Public